रजिस्ट्री सं० डी-(डी)-72 REGISTERED No. D-(D)-72

भारत का राजपत्र
The Gazette of India

असाधारण
EXTRAORDINARY
भाग II—खंड 2
PART II—Section 2
प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं० 67] नई दिल्ली, बृहस्पतिवार, सितम्बर 2, 1976/भाद्र 11, 1898
No. 67] NEW DELHI, THURSDAY, SEPTEMBER 2, 1976/BHADRA 11, 1898

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation

2 SEP 1976

RAJYA SABHA

The following Bills were introduced in the Rajya Sabha on the 2nd September, 1976:—

I

BILL No. XXXIX OF 1976

A Bill further to amend the Motor Vehicles Act, 1939.

BE it enacted by Parliament in the Twenty-seventh Year of the Republic of India as follows:—

Short title and commencement.

1. (*1*) This Act may be called the Motor Vehicles (Second Amendment) Act, 1976.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act.

Amendment of section 7.

4 of 1939.

2. In section 7 of the Motor Vehicles Act, 1939 (hereinafter referred to as the principal Act), in sub-section (*8*), for the words "a fee of eleven rupees", the words "such fee as the Central Government may, by rules made under this Act, specify" shall be substituted.

Amendment of section 11.

3. In section 11 of the principal Act,—

(*i*) in sub-section (*3*), for the words "nine rupees", the words "the amount specified in the rules made by the Central Government in this behalf" shall be substituted;

(*ii*) in sub-section (*3A*), for the words "eleven rupees", the words "the amount specified in the rules made by the Central Government in this behalf" shall be substituted.

Amendment of section 17.

4. In section 17 of the principal Act, in sub-section (5), in the proviso, for the words, brackets and letters "in the cases referred to in clauses (*a*) and (*b*), two years", the words, brackets and letters "in the case referred to in clause (*a*), five years, or in the case referred to in clause (*b*), two years" shall be substituted.

Insertion of new sections 17A and 17B.

5. After section 17 of the principal Act, the following sections shall be inserted, namely:—

Suspension of driving licence in certain cases.

'17A. (*1*) Where, in relation to a person who had been previously convicted of an offence punishable under section 116, a case is registered by a police officer on the allegation that such person has by such reckless or dangerous driving as is referred to in the said section 116, caused the death of, or grievous hurt to, one or more persons, the driving licence held by such person shall become, and shall remain, suspended—

(*a*) for a period of six months from the date on which the case is registered, or

(*b*) if such person is discharged or acquitted before the expiry of the period aforesaid, until such discharge or acquittal, as the case may be.

(*2*) Where by virtue of the provisions of sub-section (*1*), the driving licence held by a person becomes suspended, the police officer, by whom the case referred to in sub-section (*1*) is registered, shall bring such suspension to the notice of the court competent to take cognizance of such offence, and, thereupon, such court shall take possession of the driving licence, endorse the suspension thereon and forward it to the licensing authority by which it was granted or last renewed and that authority shall, on receipt of the driving licence, keep it in its safe custody until the expiry of the period of suspension, or, as the case may be, until the holder of the licence is discharged or acquitted by the court trying the offence and shall, on such expiry or discharge or acquittal, as the case may be, return the licence to the holder thereof on an application made by him for such return.

(*3*) Where the person referred to in sub-section (*1*) is acquitted or discharged, the court competent to take cognizance of the offence referred to in sub-section (*1*) shall, on the application of the holder of the driving licence, cancel the endorsement thereon with regard to the suspension of such driving licence.

(*4*) If a licence to drive a particular class or description of motor vehicles is suspended under sub-section (*1*), the person holding such licence shall be debarred from holding or obtaining any licence to drive such particular class or description of motor vehicles so long as the suspension of the driving licence remains in force.

Suspension or cancellation of driving licence on conviction.

17B. (*1*) Without prejudice to the provisions of sub-section (*5*) of section 17, where a person, referred to in sub-section (*1*) of section 17A, is convicted of an offence of causing, by such reckless or dangerous driving as is referred to in section 116, the death of, or grievous hurt to, one or more persons, the court, trying such person on such charge, may cancel, or suspend for such period as it may think fit, the driving licence held by such person.

(*2*) Without prejudice to the provisions of sub-section (*3*) of section 17, if a person, having been previously convicted of an offence punishable under section 117, is again convicted of an offence punishable under that section, the court, making such subsequent conviction, shall, by order, cancel the driving licence held by such person.

(*3*) If a driving licence is cancelled or suspended under this section, the court shall take the driving licence in its custody, endorse the cancellation or, as the case may be, suspension, thereon and send the driving licence so cancelled or endorsed to the authority by which the licence was issued or last renewed and such authority shall, on receipt of the licence, keep the licence in its custody, and in the case of a suspended licence, return the licence to the holder thereof on an application made by him for such return.

(*4*) If a licence to drive a particular class or description of motor vehicles is suspended or cancelled under this section, the person holding such a licence shall be debarred from holding, or obtaining, any licence to drive such particular class or description of motor vehicles so long as the suspension or cancellation of the driving licence remains in force.

Explanation.—For the purposes of this section, "court making the conviction" means the court by which the final order of conviction is made.'.

Insertion of new section 20A.

6. After section 20 of the principal Act, the following section shall be inserted, namely:—

Power of Central Government to make rules.

"20A. The Central Government may, by notification in the Official Gazette, make rules specifying the fees payable under sub-section (*8*) of section 7 and sub-sections (*3*) and (*3A*) of section 11 for the grant or renewal of driving licences.'

Amendment of section 63.

7. In section 63 of the principal Act, in sub-section (*11*),—

(*a*) for the words "grant to the public carriers in a State", the words "grant, in a State, to the owners of motor vehicles who use, or intend to use, such vehicles for the carriage of goods for hire or reward," shall be substituted;

(*b*) in the *Explanation*, in clause (*a*)—

(*i*) for the words "to a public carrier authorising him to operate as a public carrier", the words "to the owner of a motor vehicle authorising him to operate as a public carrier" shall be substituted.

(*ii*) for the words "indicated by the public carrier", the words "indicated by such owner" shall be substituted.

Insertion of new section 85A.

8. After section 85 of the principal Act, the following section shall be inserted, namely:—

Wearing of protective headgear.

'85A. Every person driving or riding (otherwise than in a side car) on a motor cycle of any class shall, while in a public place, wear a protective headgear of such description as may be specified by the Central Government by rules made by it in this behalf, and different descriptions of headgears may be specified in such rules in relation to different circumstances or different class of motor cycles:

Provided that the provisions of this section shall not apply to a person who is a Sikh, if he is, while driving or riding on the motor cycle, in a public place, wearing a turban:

Provided further that the Central Government may, by such rules, provide for such exceptions as it may think fit.

Explanation.—"Protective headgear" means a helmet which,—

(*a*) by virtue of its shape, material and construction, could reasonably be expected to afford to the person driving or riding on a motor cycle a degree of protection from injury in the event of an accident; and

(*b*) is securely fastened to the head of the wearer by means of the straps or other fastenings provided on the headgear.'.

Substitution of section 117

9. For section 117 of the principal Act, the following section shall be substituted, namely:—

Driving by a drunken person or by a person under the influence of drugs.

"117. Whoever, while driving, or attempting to drive, a motor vehicle or riding or attempting to ride, a motor cycle,—

(*a*) has, in his blood, alcohol in any quantity, howsoever small the quantity may be, or

(*b*) is under the influence of a drug to such an extent as to be incapable or exercising proper control over the vehicle,

shall be punishable for the first offence with imprisonment for a term which may extend to six months, or with fine which may extend to two thousand rupees, or with both; and for a second or subsequent offence, if committed within three years of the commission of the previous similar offence, with imprisonment for a term which may extend to two years, or with fine which may extend to three thousand rupees, or with both.

Explanation.—For the purposes of this section, the drug or drugs specified by the Central Government in this behalf, by notification in the Official Gazette, shall be deemed to render a person incapable of exercising proper control over a motor vehicle.".

10. After section 128 of the principal Act, the following sections shall be inserted, namely:— Insertion of new sections 128A, 128B and 128C.

'128A. (*1*) A police officer in uniform may require any person driving or attempting to drive a motor vehicle in a public place to provide one or more specimens of breath for breath test there or nearby, if the police officer has any reasonable cause— Breath tests.

(*a*) to suspect him of having alcohol in any quantity in his body, or

(*b*) to suspect him of having committed an offence punishable under section 117:

Provided that no requirement for breath test shall be made unless it is made as soon as reasonably practicable after the commission of such offence.

(*2*) If a motor vehicle is involved in an accident in a public place and a police officer in uniform has any reasonable cause to suspect that the person who was driving or attempting to drive the motor vehicle at the time of the accident, had alcohol in his blood or urine or that he was driving under the influence of a drug referred to in section 117, he may require the person so driving or attempting to drive the motor vehicle, to provide a specimen of his breath for a breath test—

(*a*) in the case of a person who is at a hospital as an indoor patient, at the hospital,

(*b*) in the case of any other person, either at or near the place where the requirement is made, or, if the police officer thinks fit, at a police station specified by the police officer:

Provided that a person shall not be required to provide such a specimen while at a hospital as an indoor patient if the registered medical practitioner in immediate charge of his case is not first notified of the proposal to make the requirement or objects to the provision of a specimen on the ground that its provision or the requirement to provide it would be prejudicial to the proper care or treatment of the patient.

(*3*) If it appears to a police officer in uniform, in consequence of a breath test carried out by him on any person under sub-section (*1*) or sub-section (*2*), that the device by means of which the test has been carried out indicates the presence of alcohol in the person's blood, the police officer may arrest that person without warrant except while that person is at a hospital as an indoor patient.

(*4*) If a person, required by a police officer under sub-section (*1*) or sub-section (*2*) to provide a specimen of breath for a breath test, refuses or fails to do so and the police officer has reasonable cause to suspect him of having alcohol in his blood or urine, the police officer may arrest him without warrant except while he is at a hospital as an indoor patient,

(5) A person arrested under this section shall, while at a police station, be given an opportunity to provide a specimen of breath for a breath test there.

(6) The results of a breath test made in pursuance of the provisions of this section shall be admissible in evidence.

Explanation.—For the purposes of this section, "breath test" means a test for the purpose of obtaining an indication of the presence of alcohol in a person's blood carried out, on one or more specimens of breath provided by that person, by means of a device of a type approved by the Central Government, by notification in the Official Gazette, for the purpose of such a test.

Laboratory test.

128B. (1) A person, who has been arrested under section 128A, may, while at a police station, be required by a police officer to provide, to such registered medical practitioner as may be produced by such police officer, a specimen of his blood or urine for a laboratory test if,—

(a) it appears to the police officer that the device, by means of which breath test was taken in relation to such person, indicates the presence of alcohol in the blood of such person, or

(b) such person, when given the opportunity to submit to a breath test, has refused, omitted or failed to do so:

Provided that where the person required to provide such specimen is a female and the registered medical practitioner produced by such police officer is a male medical practitioner, the specimen shall be taken only in the presence of a female, whether a medical practitioner or not.

(2) A person while at a hospital as an indoor patient may be required by a police officer to provide at the hospital a specimen of his blood or urine for a laboratory test—

(a) if it appears to the police officer that the device by means of which test is carried out in relation to the breath of such person indicates the presence of alcohol in the blood of such person, or

(b) if that person having been required, whether at the hospital or elsewhere, to provide a specimen of breath for a breath test, has refused, omitted or failed to do so and a police officer has reasonable cause to suspect him of having alcohol in his blood:

Provided that a person shall not be required to provide a specimen of his blood or urine for a laboratory test under this sub-section if the registered medical practitioner in immediate charge of his case is not first notified of the proposal to make the requirement or objects to the provision of such specimen on the ground that its provision or the requirement to provide it would be prejudicial to the proper care or treatment of the patient.

(3) The results of a laboratory test made in pursuance of this section shall be admissible in evidence.

Explanation.—For the purposes of this section, "laboratory test" means the analysis of a specimen of blood or of urine made at a laboratory established, maintained or recognised by the Central Government or a State Government.

128C. In any proceeding for an offence punishable under section 117, if it is proved that the accused, when requested by a police officer at any time so to do, had refused, omitted or failed to consent to the taking of or providing a specimen of his breath for a breath test or a specimen of his blood or urine for a laboratory test, his refusal, omission or failure may, unless reasonable cause therefor is shown, be presumed to be a circumstance supporting any evidence given on behalf of the prosecution, or as rebutting any evidence given on behalf of the defence, with respect to his condition at that time.'.

Amendment of First Schedule.

11. In the First Schedule to the principal Act,—

(*i*) in Form A—

(*a*) in Part III, in paragraph (*h*), for the figures and word "84 and 85", the figures, word and letter "84, 85 and 85A" shall be substituted;

(*b*) the "Note", appearing after the words *"Signature or thumb impression of applicant"*, shall be omitted;

(*ii*) in Form B, in section 11, as reproduced under the heading "*(Reverse)*",—

(*a*) in sub-section (*1*), after the proviso, the following further proviso shall be inserted, namely:—

"Provided further that where the application is for the renewal or a licence to drive as a paid employee or to drive a transport vehicle or where in any other case the original licence was issued on production of a medical certificate, the same shall be accompanied by a fresh medical certificate in Form C as set forth in the First Schedule, signed by a registered medical practitioner, and the provisions of sub-section (*5*) of section 7 shall apply to every such case.";

(*b*) in sub-section (*3*), for the words "nine rupees", the words "the amount specified in the rules made by the Central Government in this behalf" shall be substituted;

(*c*) in sub-section (*3A*), for the words "eleven rupees", the words "the amount specified in the rules made by the Central Government in this behalf" shall be substituted;

(*d*) after sub-section (*3A*), the following sub-section shall be inserted, namely:—

"(*3B*) When the authority to whom an application for the renewal of a licence to drive as a paid employee or to drive a transport vehicle is made, is not the authority which issued the licence sought to be renewed, it may, for the purpose of deciding whether the application for such renewal may be granted, verify the antecedents of the

applicant in such manner as may be prescribed and pending the verification, such authority may grant a provisional licence for such period or periods not exceeding six months in the aggregate, subject to the condition that every such provisional licence shall cease to be effective immediately on the renewal of the licence sought to be renewed, or, as the case may be, on the refusal to renew the licence, and

(*i*) where the application for renewal has been rejected, the fee paid shall be refunded to such extent and in such manner as may be prescribed;

(*ii*) where the application for renewal has not been rejected within the said period, the licence shall be renewed.".

Amendment of Sixth Schedule.

12. In the Sixth Schedule to the principal Act—

(*1*) in the entries in column 2,—

(*a*) against "Andhra Pradesh", after the letters "AA", the letters "AT" shall be inserted;

(*b*) against "Assam", after the letters "AS", the letters "AM" shall be inserted;

(*c*) against "Bihar", after the letters "BH", the letters "BP" shall be inserted;

(*d*) against "Gujarat", after the letters "GT", the letters "GR" shall be inserted;

(*e*) against "Haryana", after the letters "HY", the letters "HN" shall be inserted;

(*f*) against "Jammu and Kashmir", after the letters "JK", the letters "KM" shall be inserted;

(*g*) against "Kerala", after the letters "KL", the letters "KE" shall be inserted;

(*h*) against "Madhya Pradesh", after the letters "CP", the letters "MB" shall be inserted;

(*i*) against "Punjab", after the letters "PU", the letters "PB, PJ" shall be inserted;

(*j*) against "Uttar Pradesh", after the letters "UT", the letters "UR" shall be inserted;

(*k*) against "West Bengal", after the letters "WM", the letters "WN" shall be inserted;

(*l*) against "Delhi", after the letters "DH", the letters "DE, DI" shall be inserted;

(*2*) after the entries in columns 1 and 2 in relation to the State of Rajasthan, the following respective entries shall be inserted, namely:—

"Sikkim SK, SS".

Amendment of Eighth Schedule.

13. In the Eighth Schedule to the principal Act, against item (1)—

(*a*) in sub-item (*a*), the words "or a motor cycle" shall be omitted;

(*b*) after sub-item (*a*), the following sub-item shall be inserted, namely:—

"(*aa*) if the vehicle is a motor cycle.....50.

NOTE—Endeavour shall be made to enforce the speed limit specified in this sub-item by inserting in the motor cycle such device, like a governor or the like, which would ensure that the motor cycle cannot be riden at a speed faster than the speed specified in this sub-item.".

STATEMENT OF OBJECTS AND REASONS

In order to minimise road accidents, the Bill seeks to amend sections 17 and 117 to provide for more stringent punishments for the offences leading to such accidents, namely, driving a motor vehicle or riding a motor cycle having alcohol in the blood or driving motor vehicles under the influence of any drug or driving them rashly or negligently.

2. Three new sections are also proposed to be added to require persons suspected of driving motor vehicles under the influence of drink to undergo breath and laboratory tests.

3. The Bill also seeks to make it compulsory for riders of motor cycles, including pillion riders, to wear crash helmets while riding on such motor cycles, to avoid injury to, or death of, such persons if they are, unfortunately, involved in any road accident. This provision will not, however, apply to Sikhs wearing turban while riding a motor cycle.

4. The Bill also seeks to empower the Central Government to specify, by rules, the fees for the grant and renewal of driving licences.

5. Opportunity is also being taken to amend the Sixth Schedule to the Act to provide for allotment of additional groups of letters to some States for assignment to motor vehicles registered in those States.

6. The Bill also seeks to amend the Eighth Schedule to provide for a speed limit for motor cycles and further provides that endeavour should be made to enforce the speed limit by inserting, in the motor cycle, a device, like a governor, to ensure that the motor cycle may not be riden at a speed faster than the maximum speed specified in the Schedule.

7. Other amendments are of a clarificatory or consequential character.

NEW DELHI; G. S. DHILLON,

The 27th August, 1976.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clauses 2 and 3 of the Bill seek to amend sections 7 and 11 of the Motor Vehicles Act, 1939, to provide that the fee for the grant or renewal of a licence shall be such as may be specified by the Central Government by rules made in this behalf and clause 6 empowers the Central Government to make the said rules.

2. Clause 8 of the Bill seeks to insert a new section, namely, section 85A, in the principal Act which makes it obligatory for every person driving or riding (otherwise than in side cars) on a motor cycle of any class to wear a protective headgear (crash helmet). The description of the headgear will be specified by the Central Government. The clause also seeks to empower the Central Government to specify certain exceptions.

3. Clause 9 of the Bill empowers the Central Government to prescribe, by notification, the drug or drugs which would render a person to be incapable of exercising proper control over a motor vehicle.

4. Clause 10 of the Bill empowers the Central Government to approve the type of device which may be used for a breath test.

5. The above matters are matters of procedural detail and require review from time to time. It is hardly practicable to provide for them in the Act itself. The delegation of the legislative powers is, therefore, of a normal character.

II

BILL No. XL OF 1976

A Bill further to amend the Electricity (Supply) Act, 1948.

BE it enacted by Parliament in the Twenty-seventh Year of the Republic of India as follows:—

Short title.

1. (*1*) This Act may be called the Electricity (Supply) Amendment Act, 1976.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Amendment of section 1.

2. In section 1 of the Electricity (Supply) Act, 1948 (hereinafter referred to as the principal Act), for sub-section (*3*), the following sub-section shall be substituted, namely:— 54 of 1948.

"(*3*) This section and sections 2, 3, 4, 4A, 4B, 4C, 15A, 18A, 26A, 28 to 34 (both inclusive), sub-section (*2*) of section 39, section 42, sub-section (*3*) of section 43 and sections 57, 57A, 57B, 58, 75A, 76, 77, 77A, 77B, 77C, 82 and 83 and the provisions of the Sixth and Seventh Schedules shall come into force at once.".

Amendment of section 2.

3. In section 2 of the principal Act,—

(*a*) after clause (*4*), the following clause shall be inserted, namely:—

'(*4A*) "Generating Company" means a company formed—

(*a*) either by the Central Government or by any State Government; or

(*b*) jointly by the Central Government and one or more State Governments or by two or more State Governments,

1 of 1956. and registered under the Companies Act, 1956;';

(*b*) in clause (*5*),—

(*i*) after the words "including any building and plant", the brackets and words "(with step-up transformer, switchgear, cables or other appurtenant equipment, if any)" shall be inserted;

(*ii*) the words "for transforming, converting or distributing electricity" shall be omitted;

(*c*) in clause (*6*), for the words and figures "but, the provisions of section 26 of this Act notwithstanding, does not include the Board", the words, figures and letter "but, the provisions of section 26 or 26A of this Act notwithstanding, does not include the Board or a Generating Company" shall be substituted;

(*d*) after clause (*8*), the following clause shall be inserted, namely:—

'(8A) "power system" means a system under the control of the Government or any Board or Generating Company or other agency and having one or more—

(*i*) generating stations; or

(*ii*) main transmission lines and sub-stations; or

(*iii*) generating stations and main transmission lines and sub-stations;';

(*e*) in clause (*9*), for the words and figures "made under section 78", the words "made under this Act" shall be substituted;

(*f*) after clause (11), the following clauses shall be inserted, namely:—

'(*11A*) "sub-station" means a station for transforming or converting electricity for the transmission or distribution thereof and includes transformers, convertors, switchgear, capacitors, synchronous condensors, structures, cables and other appurtenant equipments and any buildings used for that purpose and the site thereof, a site intended to be used for any such purpose and any buildings used for housing the staff of the sub-station;

(*11B*) "tie-line" means a line for the transfer of electricity between two power systems together with switchgear and other works necessary to, and used for, the control of such line;';

(*g*) in clause (*13*), after the words "the Board", the words "or a Generating Company" shall be inserted.

Amendment of section 3.

4. In section 3 of the principal Act,—

(*1*) in sub-section (*1*),—

(*a*) in clause (*i*), for the words "and particularly to co-ordinate the activities of the planning agencies", the words "formulate short-term and perspective plans for power development and co-ordinate the activities of the planning agencies" shall be substituted;

(*b*) for clause (*iii*), the following clause shall be substituted, namely:—

"(*iii*) collect and record the data concerning the generation, distribution and utilisation of power and carry out studies relating to cost, efficiency, losses, benefits and such like matters;";

(*c*) after clause (*iv*), the following clauses shall be inserted, namely:—

"(*v*) advise any State Government, Board, Generating Company or other agency engaged in the generation or supply of electricity on such matters as will enable such Government, Board, Generating Company or agency to operate and maintain the power system, under its ownership or control, in an improved manner and, where necessary, in co-ordination with any other Government, Board, Generating Company or other agency owning or having the control of another power system;

(*vi*) promote and assist in the timely completion of schemes sanctioned under Chapter V;

(*vii*) make arrangements for advancing the skill of persons in the generation and supply of electricity;

(*viii*) carry out, or make arrangements for, any investigation for the purpose of generating or transmitting electricity;

(*ix*) promote research in matters affecting the generation, transmission and supply of electricity;

(*x*) advise the Central Government on any matter on which its advice is sought or make recommendation to that Government on any matter if, in the opinion of the Authority, the recommendation would help in improving the generation, distribution and utilisation of electricity; and

(*xi*) discharge such other functions as may be entrusted to it by or under any other law.";

(*2*) in sub-section (*2*), for the words "not more than six members', the words "not more than fourteen members of whom not more than eight shall be full-time members" shall be substituted;

(*3*) after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(2A) A full-time member shall be a person who has experience of, and has shown capacity in,—

(a) design, construction, operation and maintenance of generating stations;

(b) transmission and supply of electricity;

(c) applied research in the field of electricity;

(d) applied economics; or

(e) industrial, commercial or financial matters.";

(4) in sub-section (3), for the words "one of the members", the words "one of the full-time members" shall be substituted;

(5) after sub-section (4), the following sub-sections shall be inserted, namely:—

"(4A) The Chairman of the Authority and the other full-time members shall receive such salaries and allowances as may be determined by the Central Government and the other members shall receive such allowances and fees for attending the meetings of the Authority, as the Central Government may prescribe.

(4B) The other terms and conditions of service of the members of the Authority [including, subject to the provisions of sub-section (4), their terms of office] shall be such as the Central Government may prescribe.";

(6) in sub-section (5),—

(i) for the words "be directly or indirectly concerned or interested in or have any share or interest", the words "have any share or interest for his own benefit, whether in his own name or otherwise," shall be substituted;

(ii) for the words "fuel, solid or liquid, for the generation of electricity", the words "fuel, in whatever form, for the generation of electricity or in the manufacture of electrical equipment" shall be substituted;

(7) for sub-section (7), the following sub-sections shall be substituted, namely:—

"(7) The Chairman of the Authority may, by order, appoint any two or more members of the Authority to act on behalf of the Authority in relation to any matter referred to in clause (ii) of sub-section (1).

(8) No act or proceeding of the Authority shall be invalid merely on the ground of the existence of any vacancy in, or any defect in the Constitution of, the Authority.".

5. In section 4 of the principal Act,— Amendment of section 4.

(a) for the words "State Electricity Board", the words "State Electricity Board, Generating Company," shall be substituted;

(b) after the words "or his own use", the words "or consuming electricity" shall be inserted:

(c) for the words "and returns", the words ", returns or other information," shall be substituted.

Insertion of new sections 4A, 4B and 4C.

6. After section 4 of the principal Act, the following sections shall be inserted, namely:—

Direc-tions by Central Govern-ment to the Autho-rity.

"4A. (1) In the discharge of its functions, the Authority shall be guided by such directions in matters of policy involving public interest as the Central Government may give to it in writing.

(2) If any question arises as to whether any such direction relates to a matter of policy involving public interest, the decision of the Central Government thereon shall be final.

Power of Central Govern-ment to make rules.

4B. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Chapter.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the functions and duties of the Authority and the manner in which such functions and duties shall be exercised and performed, under sub-section (1) of section 3;

(b) the terms and conditions of service of the Chairman and other members of the Authority, (including the allowances and fees payable to members, but not including the salaries and allowances payable to the Chairman and other full-time members, of the Authority) under sub-section (4A) and sub-section (4B) of section 3;

(c) any other matter which is required to be, or may be, prescribed by the Central Government.

(3) Every rule made by the Central Government under this Chapter shall be laid, as soon as may be, after it is made before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Power of Autho-rity to make regula-tions.

4C. The Authority may make regulations, not inconsistent with the provisions of this Act and the rules made by the Central Government thereunder, to provide for all or any of the following matters, namely:—

(a) summoning and holding of meetings of the Authority, the times and places at which such meetings shall be held, the conduct of business thereat and the number of members required to constitute a quorum;

(*b*) any other matter arising out of the functions of the Authority under this Act for which it is necessary or expedient to make regulations.".

Substitution of new heading for heading under Chapter III

7. In Chapter III of the principal Act, for the heading "STATE ELECTRICITY BOARDS", the following heading shall be substituted, namely:—

"STATE ELECTRICITY BOARDS, GENERATING COMPANIES, STATE ELECTRICITY CONSULTATIVE COUNCILS AND LOCAL ADVISORY COMMITTEES".

Insertion of new section 15 A. Formation, objects, jurisdiction, etc, of Generating Companies.

8. After section 15 of the principal Act, the following section shall be inserted, namely:—

"15A. (*1*) The Central Government or any State Government, or the Central Government and one or more State Governments, or two or more State Governments jointly, may form a Generating Company with such name as may be specified in the memorandum of association of the company.

(*2*) The main objects of a Generating Company shall be—

(*i*) establishing, operating and maintaining generating stations, tie-lines, sub-stations and main transmission lines connected therewith;

(*ii*) operating and maintaining such generating stations, tie-lines, sub-stations and main transmission lines as are assigned to it by the Government or Governments forming the Generating Company (hereinafter referred to as the promoting government).

(*3*) The Generating Company shall carry on its activities within such areas as the promoting government or promoting governments may, from time to time, specify in this behalf.

(*4*) Such number of the members of the Board of directors of a Generating Company as the promoting government thinks fit or, where there are more promoting governments than one, as may be agreed upon by such promoting governments, may be appointed as full-time members thereof.

(*5*) A full-time member of the Board of directors of a Generating Company shall be a person who has experience of, and has shown capacity in,—

(*a*) design, construction, operation and maintenance of generating stations;

(*b*) transmission and supply of electricity;

(*c*) applied economics;

(*d*) organising workers;

(*e*) industrial, commercial or financial matters; or

(*f*) administration in a Government Department or other establishment.

(6) The provisions of section 9 shall, so far as may be, apply to every member of the Board of directors of a Generating Company as they apply to a member of the Board.

(7) A company within the meaning of section 3 of the Companies Act, 1956, formed before the commencement of the Electricity (Supply) Amendment Act, 1976, by the Central Government or any State Government, or the Central Government and one or more State Governments or two or more State Governments jointly, and functioning on such commencement, having as its main objects all or any of the matters specified in sub-section (2), shall be deemed, for all purposes, to be a Generating Company under this Act." 1 of 1956.

Amendment of section 16.

9. In section 16 of the principal Act,—

(1) in sub-section (2), for the words "the members of the Board", the words "the members of the Board and if there are any Generating Company or Generating Companies operating in the State one representative of the Generating Company or each of the Generating Companies, to be nominated by the Generating Company concerned," shall be substituted;

(2) in sub-section (5),—

(a) in clause (i) and clause (ii), for the words "the Board", the words "the Board and the Generating Company or Generating Companies, if any, operating in the State" shall be substituted;

(b) in clause (iii), for the words "the Board", the words "the Board or the Generating Company or Generating Companies, if any, operating in the State" shall be substituted.

Amendment of heading under Chapter IV.

10. In Chapter IV of the principal Act, in the heading for the words "STATE ELECTRICITY BOARDS", the words "STATE ELECTRICITY BOARDS AND GENERATING COMPANIES" shall be substituted.

Substitution of new sections for section 18.

11. For section 18 of the principal Act, the following sections shall be substituted, namely:—

General duties of the Board.

"18. Subject to the provisions of this Act, the Board shall be charged with the following general duties, namely:—

(a) to arrange, in co-ordination with the Generating Company or Generating Companies, if any, operating in the State, for the supply of electricity that may be required within the State and for the transmission and distribution of the same, in the most efficient and economical manner with particular reference to those areas which are not for the time being supplied or adequately supplied with electricity;

(b) to supply electricity as soon as practicable to a licensee or other person requiring such supply if the Board is competent under this Act so to do;

(c) to exercise such control in relation to the generation, distribution and utilisation of electricity within the State as is provided for by or under this Act;

(*d*) to collect data on the demand for, and the use of, electricity and to formulate perspective plans in co-ordination with the Generating Company or Generating Companies, if any, operating in the State, for the generation, transmission and supply of electricity within the State;

(*e*) to prepare and carry out schemes for transmission, distribution and generally for promoting the use of electricity within the State; and

(*f*) to operate the generating stations under its control in co-ordination with the Generating Company or Generating Companies, if any, operating in the State and with the Government or any other Board or agency having control over a power system.

Duties of Generating Company.

18A. (*1*) Subject to the provisions of this Act, a Generating Company shall be charged with the following duties, namely:—

(*a*) to establish, operate and maintain such generating stations and tie-lines, sub-stations and main transmission lines connected therewith, as may be required to be established by the promoting government or promoting governments in relation to the Generating Company;

(*b*) to operate and maintain in the most efficient and economical manner the generating stations, tie-lines, sub-stations and main transmission lines, assigned to it by the promoting government or promoting governments in co-ordination with the Board or Boards, as the case may be, and the Government or agency having control over the power system, if any, connected therewith; and

(*c*) to carry out, subject to the provisions of section 21, detailed investigations and prepare schemes, in co-ordination with the Board or Boards, as the case may be, for establishing generating stations and tie-lines, sub-stations and transmission lines connected therewith, in such manner as may be specified by the Authority.

(*2*) Without prejudice to the generality of its duties under section 18, the Board shall, until a Generating Company begins to operate in any State, perform the duties of a Generating Company under this section in that State.".

Substitution of new section for section 20A.

12. For section 20A of the principal Act, the following section shall be substituted, namely:—

Leasing out, etc., of generating stations.

"20A. The State Government may, in respect of any generating station owned by it (including transmission lines and other works connected therewith) make arrangements with the Board or a Generating Company for its operation and maintenance on such terms and conditions as may be agreed upon between the State Government and the Board or the Generating Company, as the case may be.".

Amendment of section 21.

13. In section 21 of the principal Act, in the opening paragraph,—

(*a*) for the words "The Board may", the words "The Board or a Generating Company may", shall be substituted;

(b) for the words "in the opinion of the Board", the words "in the opinion of the Board or the Generating Company, as the case may be," shall be substituted;

(c) the words "and in such manner as the Authority may, from time to time, specify" shall be inserted at the end.

Insertion of new section 26A.

14. After section 26 of the principal Act, the following section shall be inserted, namely:—

Applicability of the provisions of Act 9 of 1910 to Generating Company.

"26A. (1) Notwithstanding anything contained in sub-section (2), nothing in the Indian Electricity Act, 1910, shall be deemed to require a Generating Company to take out a licence under that Act, or to obtain sanction of the State Government for the purpose of carrying on any of its activities.

(2) Subject to the provisions of this Act, sections 12 to 19 (both inclusive) of the Indian Electricity Act, 1910 and clauses XIV to XVII (both inclusive) of the Schedule thereto, shall, as far as may be, apply in relation to a Generating Company as they apply in relation to a licensee under that Act (hereafter in this section referred to as the licensee) and in particular a Generating Company may, in connection with the performance of its duties, exercise— 9 of 1910.

(a) all or any of the powers conferred on a licensee by sub-section (1) of section 12 of the Indian Electricity Act, 1910, as if— 9 of 1910.

(i) the reference therein to licensee were a reference to the Generating Company;

(ii) the reference to the terms and conditions of licence were a reference to the provisions of this Act and to the articles of association of the Generating Company; and

(iii) the reference to the area of supply were a reference to the area specified under sub-section (3) of section 15A in relation to the Generating Company;

(b) all or any of the powers conferred on a licensee by sub-section (1) of section 14 of the Indian Electricity Act, 1910, as if— 9 of 1910.

(i) the references therein to licensee were references to the Generating Company; and

(ii) the Generating Company had the powers of a licensee under the said Act.

(3) The provisions of section 30 of the Indian Electricity Act, 1910, shall not apply to the transmission or use of energy by a Generating Company. 9 of 1910.

(4) For the removal of doubts, it is hereby declared that sections 31 to 34 (both inclusive) of the Indian Electricity Act, 1910, shall apply to a Generating Company.". 9 of 1910.

Amendment of section 27.

15. In section 27 of the principal Act, for the words "The Board", the words "The Board or a Generating Company" shall be substituted.

16. In Chapter V of the principal Act, for the heading, the following heading shall be substituted, namely:— Substitution of new heading for heading under Chapter V.

"THE WORKS AND TRADING PROCEDURE OF THE BOARD AND THE GENERATING COMPANY".

17. For sections 28 and 29 of the principal Act, the following sections shall be substituted, namely:— Substitution of new sections for sections 28 and 29.

"28. (*1*) For the efficient performance of its duties under this Act, the Board or a Generating Company, as the case may be, may prepare one or more schemes relating to the establishment or acquisition of generating stations, tie-lines, sub-stations or transmission lines referred to in clause (*e*) of section 18 or clause (*c*) of sub-section (*1*) of section 18A, as the case may be. Preparation and sanctioning of scheme.

(*2*) The Board or, as the case may be, the Generating Company which has prepared a scheme may, sanction such scheme either generally or in respect of any part of the area specified in the scheme and where a scheme has been sanctioned in respect of any part of the area, such scheme may subsequently be sanctioned in respect of any other part of that area:

Provided that where the scheme is of the nature referred to in sub-section (*1*) of section 29, the scheme shall not be sanctioned (generally or for part of an area) by the Board or the Generating Company except with the previous concurrence of the Authority.

(*3*) Every scheme sanctioned under this section shall be published in the Official Gazette and in such local newspapers as the Board or, as the case may be, the Generating Company may consider necessary.

29. (*1*) Every scheme estimated to involve a capital expenditure exceeding one crore of rupees shall, as soon as may be after its preparation, be submitted to the Authority for its concurrence. Submission of schemes for concurrence of Authority etc.

(*2*) Before finalisation of any scheme of the nature referred to in sub-section (*1*) and the submission thereof to the Authority for concurrence, the Board or, as the case may be, the Generating Company shall cause such scheme, which among other things shall contain the estimates of the capital expenditure involved, salient features thereof and the benefits that may accrue therefrom, to be published in the Official Gazette of the State concerned and in such local newspapers as the Board or the Generating Company may consider necessary along with a notice of the date, not being less than two months after the date of such publication, before which licensees and other persons interested may make representations on such scheme.

(*3*) The Board or, as the case may be, the Generating Company may, after considering the representations, if any, that may have been received by it and after making such inquiries as it thinks fit,

modify the scheme and the scheme so finally prepared (with or without modifications) shall be submitted by it to the Authority along with the representations.

(4) A copy of the scheme finally prepared by the Board or, as the case may be, the Generating Company under sub-section (3) shall be forwarded to the State Government or State Governments concerned:

Provided that where the scheme has been prepared by a Generating Company in relation to which the Central Government is the promoting government or one of the promoting governments, a copy of the scheme finally prepared shall be forwarded also to the Central Government.

(5) The Authority may give such directions as to the form and contents of a scheme and the procedure to be followed in, and any other matter relating to, the preparation, submission and approval of such scheme, as it may think fit.

(6) In respect of any scheme submitted to the Authority for its concurrence under sub-section (1), the Board or, as the case may be, the Generating Company shall, if required by the Authority so to do, supply any information incidental or supplementary to the scheme within such period, being not less than one month, as may be specified by the Authority.".

Amendment of section 30.

18. In section 30 of the principal Act,—

(a) for the opening paragraph, the following shall be substituted, namely:—

"The Authority shall, before concurring in any scheme submitted to it under sub-section (1) of section 29, have particular regard to, whether or not in its opinion—";

(b) in clause (a),—

(i) the words "by the Board" shall be omitted;

(ii) for the words "shall satisfy itself", the words "shall satisfy itself, after consultation with the State Government, the Central Government, or such other agencies as it may deem appropriate," shall be substituted;

(c) after clause (e), the following clauses shall be inserted, namely:—

"(f) in the case of a scheme in respect of thermal power generation, the location of the generating station is best suited to the region, taking into account the optimum utilisation of fuel resources, the distance of load centre, transportation facilities, water availability and environmental considerations;

(g) the scheme conforms to any other technical, economic or other criteria laid down by the Authority in accordance with the national power policy evolved by it in pursuance of the provisions contained in clause (i) of sub-section (1) of section 3.".

19. For sections 31, 32 and 33 of the principal Act, the following sections shall be substituted, namely:— Substitution of new sections for sections 31, 32 and 33.

"31. (*1*) Where a scheme is submitted to the Authority under sub-section (*1*) of section 29, the Authority may, having regard to the matters referred to in section 30, either concur in the scheme without modification or require the Board or, as the case may be, the Generating Company to modify the scheme in such manner as the Authority specifies in the requisition so as to ensure that the scheme conforms to the national power policy evolved by the Authority in pursuance of the provisions contained in clause (*i*) of sub-section (*1*) of section 3 and in either case the Authority shall also communicate its decision to the State Government or State Governments concerned: Concurrence of Authority to scheme submitted to it by Board or Generating Company.

Provided that where the scheme was submitted for concurrence by a Generating Company in relation to which the Central Government is the promoting government or one of the promoting governments, the decision shall be communicated also to that Government.

(*2*) Where under sub-section (*1*) the Authority requires that a scheme may be modified, the Board or, as the case may be, the Generating Company may prepare a revised scheme in accordance with such requisition and submit it to the Authority for concurrence and thereupon the Authority shall, if satisfied that the revised scheme complies with the requisition, concur in the same.

32. The Board or, as the case may be, the Generating Company may, from time to time, alter or extend a scheme by a supplementary scheme prepared in the manner specified in section 31: Power to alter or extend schemes.

Provided that any alterations or extensions of a scheme which, are in the opinion of the Board or, as the case may be, the Generating Company, minor in character may be made without preparing a supplementary scheme:

Provided further that where any alteration or extension of the nature referred to in the first proviso is made in respect of a scheme concurred in by the Authority, details of such alteration or extension shall be intimated to the Authority as soon as may be after such alteration or extension is made.

33. The provisions of sections 28 to 32 (both inclusive) shall, so far as may be, apply also in relation to a scheme prepared by a State Government for the generation, transmission or distribution of electricity.". Provisions applicable to scheme prepared by State Government.

20. Section 34 of the principal Act shall be re-numbered as sub-section (*1*) thereof and after sub-section (*1*) as so re-numbered the following sub-section shall be inserted, namely:— Amendment of section 34.

"(*2*) Notwithstanding anything contained in this Act or any scheme made thereunder, no generating station owned by a Generating Company shall be designated as a controlled station."

Omission of section 38.

21. Section 38 of the principal Act shall be omitted.

Amendment of section 39.

22. Section 39 of the principal Act shall be re-numbered as sub-section (*1*) thereof and after sub-section (*1*) as so re-numbered the following sub-section shall be inserted, namely:—

"(*2*) Where a Generating Company has been established having its activities wholly or partly in a State, the State Government may direct the Board to make over any generating station established or acquired by the Board to the Generating Company subject to such terms and conditions as may be specified in the direction and the Board shall comply with such direction:

Provided that where the Central Government is the promoting government or one of the promoting governments in relation to the Generating Company, no direction shall be made by any State Government under this sub-section without the concurrence of the Central Government.".

Amendment of section 41.

23. In section 41 of the principal Act,—

(*a*) in sub-section (*1*), for the words "the Board", wherever they occur, the words "the Board or a Generating Company" shall be substituted;

(*b*) in sub-section (*2*), for the words "The Board may", the words "The Board or a Generating Company may" shall be substituted.

Amendment of section 42.

24. Section 42 of the principal Act shall be re-numbered as sub-section (*1*) thereof, and after sub-section (*1*) as so re-numbered, the following sub-section shall be inserted, namely:—

"(*2*) A Generating Company may, for the placing of wires, poles, wall-brackets, stays, apparatus and appliances for the transmission of electricity, or for the transmission of telegraphic or telephonic communications necessary for the proper co-ordination of the works of the Generating Company, exercise all or any of the powers which the Board may exercise under sub-section (*1*) and subject to the conditions referred to therein."

Amendment of section 43.

25. In section 43 the principal Act, after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*3*) A Generating Company, may, on such terms as may be agreed upon, enter into arrangements for the sale of electricity generated by it—

(*a*) with the Board constituted for the State or any of the States wherein such Generating Company is operating; or

(*b*) with any other person with the consent of the Government or Governments which, in relation to that Generating Company, is the promoting government or promoting governments.".

26. In section 44 of the principal Act,—

(*a*) in sub-section (*1*), in the opening paragraph, after the words "created by a Central Act", the words "or any Generating Company" shall be inserted;

(*b*) after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*2A*) The Board shall, before giving consent under sub-section (*1*), to the establishment or acquisition of a new generating station or to the extension or replacement of any major unit of plant or works, consult the Authority, in cases where the capacity of the new generating station or, as the case may be, the additional capacity proposed to be created by the extension or replacement exceeds twenty-five thousand kilowatts.".

Amendment of section 72.

27. In section 72 of the principal Act,—

(*a*) for the words "the Board", the words "the Board or a Generating Company" shall be substituted;

(*b*) for the words, "or that the Board is unable so to develop", the words "or the Generating Company so to develop" shall be substituted.

Amendment of section 73.

28. In section 73 of the principal Act, for the words "the Board shall co-ordinate its activities", the words "the Board and the Generating Company shall co-ordinate their activities" shall be substituted.

Amendment of section 74.

29. In section 74 of the principal Act,—

(*a*) for the words "servant of the Board", the words "servant of the Board or of a Generating Company" shall be substituted;

(*b*) for the words "authorised by the Board", the words "authorised by the Board or by the Generating Company, as the case may be," shall be substituted;

(*c*) for the words "duties by the Board", the words "duties by the Board or by the Generating Company, as the case may be" shall be substituted.

Amendment of section 75.

30. In section 75 of the principal Act, in sub-section (*3*),—

(*a*) for the words "or person", the words "or person or agency" shall be substituted;

(*b*) the following proviso shall be inserted at the end, namely:—

"Provided that nothing in this sub-section shall be deemed to empower the Board to require a Generating Company to furnish it with any information or accounts.".

Insertion of new section 75A.

31. After section 75 of the principal Act, the following section shall be inserted, namely:—

Annual reports and accounts of Generating Company.

"75A. (*1*) A Generating Company shall, before the expiry of the 31st December of each year, submit to the promoting government, or where there are more than one promoting government to all such promoting governments, a report giving an account of the activities, if any, which are likely to be undertaken by such Generating Company in the ensuing year together with a statement of

the estimated capital and revenue receipts and expenditure for that year in such form as may be specified by the promoting government or promoting governments.

(2) A Generating Company shall, as soon as may be after the end of each year, prepare a report giving an account of its activities during the previous year and shall, within six months from the date of closure of a year, forward to the promoting government, or where there are more than one promoting government, to all such promoting governments, the report together with a statement of accounts, in such form and containing such particulars as may be specified by the promoting government or the promoting governments, as the case may be, copy of the balance sheet and profit and loss account and the auditor's report, in relation to the accounts of the year aforesaid.

(3) For the purpose of preparing the statement of accounts referred to in sub-section (2), the depreciation to be provided every year shall be calculated in accordance with the same method as laid down by or under this Act for calculating depreciation in relation to the Board.

(4) The provisions of sub-sections (1) and (2) shall be in addition to and not in derogation of the provisions contained in the Companies Act, 1956, in relation to reports, statement of accounts and other documents required to be prepared or kept or submitted by a company within the meaning of section 3 of that Act.". 1 of 1956.

Amendment of Fifth Schedule.

32. In the Fifth Schedule to the principal Act,—

(a) in the heading, for the words "BY BOARD", the words "BY BOARD OR GENERATING COMPANY" shall be substituted;

(b) in paragraph I and paragraph II, for the words "the Board", wherever they occur, the words "the Board or the Generating Company" shall be substituted.

Amendment of Sixth Schedule.

33. In the Sixth Schedule to the principal Act, in paragraph II, after sub-paragraph (3), the following sub-paragraph shall be inserted, namely:—

"(4) On the purchase of the undertaking, after the expiry, or on the revocation, of its licence or otherwise, all amounts of rebate lying undistributed to the consumers on the date of such purchase shall be handed over to the purchaser who, in turn, shall enter the same in his books of account, under the heading Consumers' Rebate Reserve and any amount lying undistributed in that Reserve shall be carried forward for distribution to the consumer concerned:

Provided that the share of money in the Consumers' Rebate Reserve payable to the consumers who are not traceable or who have ceased to be consumers in relation to that undertaking, may be utilised in the development works of the purchaser.".

STATEMENT OF OBJECTS AND REASONS

The country experienced serious power shortages during the last few years affecting the overall economy. A study in depth revealed that it was necessary to re-structure and re-organise the electricity supply industry. The Electricity (Supply) Act, 1948, forms the basis for the organisational structure of the electricity supply industry in the country. It was considered necessary to amend certain provisions of the Electricity (Supply) Act, 1948, to enlarge the scope and functions of the Central Electricity Authority in the interest of overall power development and to strengthen the Central Electricity Authority to undertake much larger responsibility in evolving a national power policy, preparation of perspective and rolling plans, assisting in the timely completion of the power projects, maximising output from the existing power plants, developing a national grid and initiating programmes for research, development and training of personnel, etc.

2. With a view to developing expertise in the construction and operation of power generating stations, it is considered necessary to provide for creation of Generating Companies both by the Centre and the States mainly for power generation. The amendments, therefore, provide for the establishment of Generating Companies by the Central and State Governments which would be responsible for the construction and operation of power stations. The proposed amendments cover also the allocation of functions and duties in relation to the generation and supply of electricity between the Generating Companies and the State Electricity Boards in the matter of power development and supply.

3. Certain modifications are being effected as to the existing procedure relating to the preparation and sanctioning of schemes for establishment, and the acquisition of, generating stations, tie-lines, sub-stations or transmission lines. It is proposed to provide that every scheme prepared by a State Electricity Board or Generating Company and estimated to involve a capital expenditure exceeding one crore of rupees shall be submitted to the Central Electricity Authority for its concurrence so that the scheme may conform to the national power policy evolved by the Authority.

The Bill seeks to achieve the above objectives.

NEW DELHI; K. C. PANT
The 28th August, 1976.

FINANCIAL MEMORANDUM

Sub-section (2) of section 3 of the Electricity (Supply) Act, 1948, provides that the Central Electricity Authority shall consist of not more than six members. Clause 4 of the Bills seeks to amend this section so as to provide for the appointment of not more than fourteen Members of whom not more than eight shall be full-time members. The increase in the number of members would strengthen the Central Electricity Authority to enable it to plan and guide the development of power programme in the country in a more effective manner. Regarding the expenditure on pay and allowances, the existing provisions of the Electricity (Supply) Act, 1948, provide for six members (including the Chairman) for whom the expenditure on pay and allowances, office expenditure etc. works out to Rs. 3.75 lakhs approximately per annum. With the increase of members including eight full-time members, the total annual expenditure on pay and allowances etc. would go upto about Rs. 5.0 lakhs. Thus, the increase in annual expenditure on account of members' salary would be of the order of about Rs. 1.25 lakhs when eight full-time Members are in position.

2. Clause 8 of the Bill seeks to insert a new section 15A which envisages the formation of Generating Companies by the Central Government either by itself or jointly with one or more States. There are already three Generating Companies formed by the Central Government. Apart from that, there are no immediate plans to form other such Generating Companies. Further expenditure in this regard will arise only as and when a decision is taken in that behalf and the expenditure on that account cannot now be estimated.

3. There are no other recurring or non-recurring expenditure envisaged in the Bill.

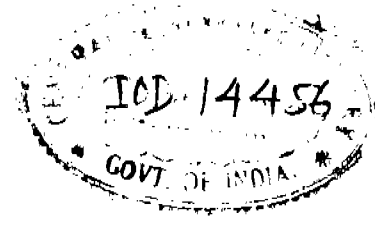
MEMORANDUM REGARDING DELEGATED LEGISLATION

The new section 4B proposed to be inserted in the Electricity (Supply) Act, 1948 (hereinafter referred to as a principal Act) by clause 6 of the Bill empowers the Central Government to make rules for carrying out the purposes of the Act. The various matters which may be provided for in such rules have been referred to in detail in sub-section (2) of that section. These mainly relate to the functions and duties of the Central Electricity Authority, the manner of exercise of such functions and duties and terms and conditions of service of the Chairman and other members of that Authority.

2. The new section 4C proposed to be inserted in the principal Act by clause 6 of the Bill empowers the Central Electricity Authority to make regulations to provide for the summoning and holding of meetings of that Authority, the conduct of business at such meetings and for other matters arising out of the functions of the Central Electricity Authority for which it may be necessary or expedient to make regulations.

3. The matters which the Central Government may provide for in rules are matters of detail necessary for the effective administration of the provisions of the principal Act and the matters regarding which the Central Electricity Authority is empowered to make regulations are matters of procedure. Delegation of legislative power is, therefore, of a normal character.

S. S. BHALERAO,
Secretary-General.



PRINTED BY THE GENERAL MANAGER, GOVERNMENT OF INDIA PRESS, MINTO ROAD, NEW DELHI AND PUBLISHED BY THE CONTROLLER OF PUBLICATIONS, DELHI, 1976